



STATE OF NEVADA
OFFICE OF THE STATE TREASURER

Nevada College Kick Start Program
FREQUENTLY ASKED QUESTIONS
Updated January 2015

1) What is the Nevada College Kick Start Program?

The Nevada College Kick Start Program establishes college savings accounts with an initial deposit of \$50 for all public school kindergarten students in Nevada. The Program is administered by the Nevada State Treasurer's Office and the Board of Trustees of the College Savings Plans of Nevada.

2) How many Nevada kindergarten students are included in the Program?

As of May 2014, there were approximately 35,000 students currently enrolled in the Nevada College Kick Start Program. The Board of Trustees of the College Savings Plans of Nevada has agreed to run the Program for a minimum of three years and then evaluate its effectiveness. Kindergarten students entering school in the fall of 2014 and 2015 will therefore be included.

3) Where does the funding come from?

The Program uses a portion of the fees paid to the Treasurer's Office by the private companies which serve as program managers for the College Savings Plans of Nevada. In addition, some funding is generously donated by community partners and donors. *No taxpayer dollars are spent to fund Nevada College Kick Start Program accounts.*

4) Do I need to do anything to establish or activate this account?

No. It will be created automatically through information provided by your child's school, including your child's name and school ID number.

5) Will participating in the Program cost us anything?

No, it's free. There are no fees, charges, or hidden costs.

6) Will the money grow?

The College Kick Start account established for your child with the initial \$50 deposit is invested in the SSgA Upromise 529 Plan. This account has the opportunity to earn interest and grow over the 13 year period before your child graduates from high school, up until the age of 25.

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7) Why kindergarteners?

Families which begin a discussion and plan for college expenses while their child is in kindergarten will have a thirteen year window in which to plan and save for future higher education costs. Further, the establishment of a specific college savings account helps plant a seed in a child's mind that he or she is college bound.

8) How will only \$50 make a difference in my child's ability to go to college?

Research conducted by the Center for Social Development at Washington University in St. Louis outlined in, "The Role of Savings and Wealth in Reducing 'Wilt' Between Expectations and College Attendance," found *that children with a college savings account are up to seven times more likely to attend college than those without an account.* Similarly, a study conducted by the University of Kansas' School of Social Welfare found that college savings send a strong message to children: *"You are a college saver. You are college-bound."* The study also concluded that *"Even small accounts, in many cases inadequate to even buy books for a semester, increase perseverance and improve academic preparation."*

9) Who manages the account?

Nevada College Kick Start accounts are held within the SSgA Upromise 529 Plan managed by Ascensus College Savings., the program manager for the College Savings Plans of Nevada.

10) How can I keep informed about the Nevada College Kick Start Program?

You will receive information about the Program and your child's account periodically through your child's school and from the Nevada State Treasurer's College Savings Program staff. You can also visit our Nevada College Kick Start Program website (CollegeKickStart.nv.gov).

11) What if I do not want my child to have such an account?

Simply complete the "Opt Out" Form available at CollegeKickStart.nv.gov or call 1-888-477-2667 for assistance.

12) Can we use the savings in my child's Nevada College Kick Start Program account for anything besides college?

College Kick Start account funds may only be paid to a US Department of Education eligible institution of higher learning (college, trade school, technical school) on behalf of the student to cover qualified education expenses when that student is enrolled and attending that institution.

13) How do I access the money when my child goes to college?

When your child is ready to use the money for higher education, he or she will need to contact the Treasurer's Office at 1-888-477-2667 to request a distribution. The Treasurer's Office will verify the student's information and arrange for the funds to be sent to the institution on the student's behalf.

14) What if I already have a college savings account for my child?

That's great! A Nevada College Kick Start account will still be created and funded with the initial deposit of \$50.

15) How do I open my own separate college savings account?

It's easy to open a separate SSgA Upromise 529 Plan college savings account for your personal contributions by visiting Nevadas529.com, or by calling 1-800-587-7305. You can

open an account for as little as \$15 and then make contributions as you wish to that account going forward. You can do this for any student, not just kindergartners.

16) What if I need to withdraw money from my child's SSgA Upromise 529 Plan for an emergency or other use?

If there's an emergency or unforeseen circumstance, you may request a refund at any time of any funds personally contributed to an individual SSgA Upromise 529 Plan account by calling 1-800-587-7305 or by going to Nevadas529.com and completing a withdrawal form. Remember that any earnings on the funds you contributed not used for qualified education expenses at an eligible institution may be subject to income tax and a 10% penalty. Funds contributed by the Program and held in the College Kick Start account can only be used for qualified college expenses at eligible institutions, which are paid directly to the institution.

17) What are examples of Internal Revenue Code approved higher education related expenses?

Cost of tuition, fees, books, supplies, certain room and board expenses, or any other Internal Revenue Service qualified higher education related expenses. Savings in a 529 college savings account grow tax-deferred and if used for qualified higher education related expenses at eligible institutions are free from federal taxes.

18) What if my child does not go to college?

If a traditional four-year college isn't right for your child, you can use the funds to pay for other kinds of postsecondary education, like technical and vocational training. If your child decides not to pursue post-secondary education, the funds in the College Kick Start account will be returned to the Program. Any funds you've contributed into your separate SSgA Upromise 529 Plan account are available to be transferred to another child in your family or refunded to you. Remember, though, that any earnings on the funds you contributed not used for qualified education expenses at an eligible school may be subject to income tax and a 10% penalty.

19) Can family, friends, and relatives make contributions as well?

Yes. Family and friends may contribute to your personal account. Visit Nevadas529.com for more information about the Ugift Program sponsored by the SSgA Upromise 529 Plan.

20) Will a Nevada College Kick Start account disqualify my child for financial aid or count against any benefits I may receive?

The Nevada College Kick Start account is considered a scholarship account and as such it should not count against your family in the calculation of financial aid. Of course, college enrollment for your kindergartener is many years off and new regulations on calculating financial aid may be different. Be sure to contact your own tax and financial professional when the time comes for a distribution. Additionally, as of April 2013, the State of Nevada has eliminated asset limitations relating to college savings accounts for families that receive state or federal benefits.

21) What happens to my child's College Kick Start account if we move out of Nevada?

To remain eligible to participate in the College Kick Start Program, your child must be a Nevada resident. If you move out of Nevada, your child's account will be inactivated and any balance will be returned to the Program. Should you choose to open an individual SSgA Upromise 529 Plan college savings account, there is no residency requirement on that

account. It goes where you go, so no matter where you live, you can continue to contribute to your child's SSgA Upromise 529 Plan college savings account.

22) Do College Kick Start accounts expire?

Nevada College Kick Start accounts will expire if not used for qualified educational expenses before the student turns 25. The accounts will also expire if the Program does not have a valid mailing address for you. Should statements be returned to the Program by the United States Postal Service two quarters in a row, the Program will flag the account as one with an incorrect address. After a period of one year, if no Change of Address Form is received or contact is not made with the State Treasurer's Office, the account will be inactivated. Please make sure to keep your contact information current with the Program. You may update your contact information and/or provide us an email address by visiting CollegeKickStart.nv.gov.

23) What is the Silver State Matching Grant?

When you open your own personal SSgA Upromise 529 Plan account, you may be eligible to receive matching grant funds. Participants who are Nevada residents and have an annual household income of less than \$75,000 may be eligible for the Silver State Matching Grant Program (<https://uii.s.upromise.com/content/match.html>), which helps Nevada families accelerate their college savings by providing up to \$300 in additional matching grant funds each year to qualified participants up to a lifetime maximum of \$1,500. The application period for the Silver State matching Grant Program is April 1 through July 31.

24) Where can I find additional information?

Visit our Nevada College Kick Start Program website at CollegeKickStart.nv.gov, Nevadas529.com site, or call 1-800-587-7305.